International and Intergovernmental Relations

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

[ORIGINAL SIGNED]

Halvar Jonson, *Minister of International and Intergovernmental Relations*
April 10, 2001

VISION

"A strong Alberta, active in an open world and in a prosperous, united Canada."

MISSION

To lead the development of government-wide strategies and policies for Alberta's relations with international governments and organizations; and federal, provincial and territorial governments in Canada.

CORE BUSINESS

To provide leadership in the management of Alberta's international and intergovernmental relationships. Sound government-to-government relationships are key elements in securing Alberta's future well-being.

To fulfill this leadership role, coordinated Alberta strategies are essential. Development and implementation of these strategies require close cooperation with other Alberta ministries, as well as strategic partnerships with public and private organizations.

Key services provided by the department include the following:

- Advancing Alberta's interests through intergovernmental negotiations and discussions
- Coordinating Alberta's strategies relating to international and intergovernmental relations
- Providing strategic advice and policy analysis to Alberta ministries and other clients
- Obtaining, supplying and analyzing information for Alberta ministries and other clients

CLIENTS AND PARTNERS

The department serves the people of Alberta by working towards goals that advance the social and economic well-being of all Albertans. The department's key clients are the Premier, Cabinet, Caucus, and other departments and agencies of the Alberta government. The work of the department often involves partnerships with:

- other governments – internationally and within Canada
- Alberta organizations, institutions and businesses
- other government departments

As a small department, there is a strong commitment to teamwork, both within the organization and in partnership with staff in other departments. The department recognizes that building cooperative relationships with our clients and partners in the areas of international and intergovernmental relations is critical to its success.

GOALS

The department contributes to all three of the core businesses of the Government of Alberta: People, Prosperity and Preservation. The department's key goals are:

- To secure benefits for Alberta from strengthened international relations.
- To secure benefits for Alberta as an equal partner in a revitalized, united Canada.

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In addition, the department continues to be committed to the goals of the Cross Ministry Initiative – Corporate Human Resource Development Strategy. The department is implementing a Human Resource Plan with a priority focus on leadership development and succession planning. There is a commitment to enhancement of the existing employee recognition program; the need to ensure that all employees have the skills necessary to achieve current and future goals; and to provide for an ongoing, effective performance management system. The department believes in continuous review and improvement of administrative and human resource management processes.

GOALS AND STRATEGIES

GOAL 1: TO SECURE BENEFITS FOR ALBERTA FROM STRENGTHENED INTERNATIONAL RELATIONS

KEY RESULTS	STRATEGIES
1.1 Strengthened Alberta intergovernmental relations with key foreign economic partners.	a) Implement Alberta's international strategy framework in partnership with other Alberta ministries, ensuring consistency between related international initiatives, and responsiveness to a dynamic global environment. b) Build and maintain alliances with key U.S. federal and state decision-makers and organizations in order to improve the two-way flow of goods, services, people, and investment, and to promote open dialogue on potential irritants. c) Build economic and cross-cultural twinning relationships with foreign states/provinces to broaden Alberta's international focus, and to raise Alberta's profile in key international markets. d) Promote the Alberta Advantage to foreign governmental decision-makers by planning missions abroad (e.g., Premier and Team Canada missions), and by developing strategically focused programs for visiting delegations. e) Coordinate Alberta government participation in international development projects in cooperation with the private sector, academic institutions and non-government organizations to improve governance structure in developing countries and emerging markets. f) Encourage the federal government to develop and implement Canadian foreign policy that addresses Alberta's interests and priorities.
1.2 Expanded trade liberalization and foreign market access for Albertans through international trade and investment agreements.	a) Remove or reduce barriers to trade and investment through direct negotiation, and participate with the federal government in negotiations to ensure Alberta's objectives are pursued. b) Develop a formal federal-provincial agreement that stipulates full provincial participation in Canada's negotiation of agreements affecting provincial jurisdiction or interests. c) Consult and work with private and public sector organizations to pursue the benefits of free trade. d) Manage government-wide implementation of the North American Free Trade Agreement (NAFTA), the World Trade Organization (WTO) Agreement and other agreements. Anticipate and prevent disputes. e) Coordinate Alberta's participation in WTO negotiations on issues involving provincial jurisdiction (e.g., environment, labour, agriculture, competition and business regulation, and services) and in other regional and multilateral negotiations (e.g., Free Trade Agreement of the Americas (FTAA), Asia-Pacific Economic Cooperation). f) Manage disputes and defend Alberta's interests under NAFTA, WTO and other agreements. g) Work with other Alberta ministries to implement the trade policy component of Alberta's international strategy in a targeted, coherent manner.

GOAL 2: TO SECURE BENEFITS FOR ALBERTA AS AN EQUAL PARTNER IN A REVITALIZED, UNITED CANADA

KEY RESULTS	STRATEGIES
2.1 Effective participation by Alberta in the Canadian federation.	a) Advance Alberta's interests and ensure that Alberta priorities are addressed at intergovernmental meetings of Ministers and officials. b) Provide policy analysis and strategies, and coordinate input from other Alberta ministries for Alberta's participation in First Ministers' meetings, Premiers' Conferences, and Ministerial meetings. c) Develop strategies and policy options, in conjunction with Alberta ministries, to enable Alberta to receive a fair share of federal funding. d) Work with Alberta ministries to develop and implement coordinated and consistent approaches to intergovernmental issues and processes. e) Assist Alberta ministries in the development of intergovernmental agreements that reflect Alberta's intergovernmental objectives and priorities.
2.2 A Canadian federal system that better serves Albertans' needs.	a) Implement, in conjunction with Alberta ministries, "A Framework to Improve the Social Union for Canadians" in a manner consistent with Alberta's intergovernmental interests. b) Develop, in conjunction with other governments, an intergovernmental dispute settlement mechanism that can be applied to potential disputes across a range of intergovernmental issues. c) Promote both interprovincial and federal-provincial solutions to improve the efficiency and effectiveness of the federation through the reduction of overlap and duplication between governments, the reform of institutions (e.g., the Senate) and the reform of financial arrangements (fiscal rebalancing). d) Promote federal-provincial solutions to redesign federal-provincial financial arrangements including the Canada Health and Social Transfer (CHST), Equalization and cost-sharing arrangements. e) Develop agreements and processes to ensure that no new national programs in areas of provincial jurisdiction are developed without provincial consultation and approval.
2.3 Effective leadership by Alberta that supports a strong and united Canada.	a) Develop policy recommendations and strategies on national unity and other related issues as they emerge.
2.4 Expanded Canadian internal trade liberalization which promotes the free flow of goods, services, capital and labour across Canada.	a) Remove or reduce barriers to internal trade, investment and labour mobility through direct negotiation with the federal government and other provinces and territories. b) Consult and work with private and public sector organizations to pursue the benefits of free trade. c) Manage government-wide implementation of the Agreement on Internal Trade (AIT). Anticipate and prevent disputes. d) Coordinate Alberta participation in the Agreement on Internal Trade (AIT). e) Manage disputes and defend Alberta's interests in the AIT. f) Work with other Canadian governments to reduce the use of investment incentives, which fiscally skew business decisions.

PERFORMANCE MEASURES/INDICATORS

International and Intergovernmental Relations has several methods of measuring its performance, including the following:

1. Reports on Department Performance
2. Client Satisfaction Surveys
3. Intermediate Outcomes
4. Secondary Indicators
5. Public Polling Data

1. REPORTS ON DEPARTMENT PERFORMANCE

Previous department business plans have acknowledged that many of the department's outcomes are long term, frequently dependent on factors outside the control of the department (i.e., obtaining agreement of other governments), and difficult to present as quantitative data. In order to ensure clear reporting on departmental performance while keeping in mind the limitations faced in developing such data, the department provides a detailed narrative record of its achievements and activities. This narrative is found in International and Intergovernmental Relations' Annual Reports. The Reports document the department's accomplishments for each goal and provide a narrative outlining events and outcomes over the previous year.

In addition to the Annual Report, other assessments are done from time-to-time on key initiatives. They may include reports issued after the conclusion of major conferences, trade negotiations or missions to assess how Alberta fared in achieving its objectives.

2. CLIENT SATISFACTION SURVEYS

Another measure of outcomes for International and Intergovernmental Relations is stakeholder or client satisfaction. To achieve its goals, the department works closely with Alberta ministers, ministries, and other organizations in the province. Through periodic surveys, the department consults these clients for their evaluation of the department's contribution to advancing Alberta's priorities and positions.

Client Surveys are an important component of the department's mix of measurement tools. The 2001 Client Survey indicated that clients, both internal to government and external clients, consistently rate the department at a high level of satisfaction with the services provided. The 2001 Client Survey was the fourth broad survey completed by the department. Earlier surveys, completed in 1995, 1997, and 1999, indicated a level of satisfaction of close to 4 out of 5. The 2001 survey results were similar, with a target level of 4 out of 5 achieved in virtually all areas of services provided.

3. MEASURING INTERMEDIATE OUTCOMES

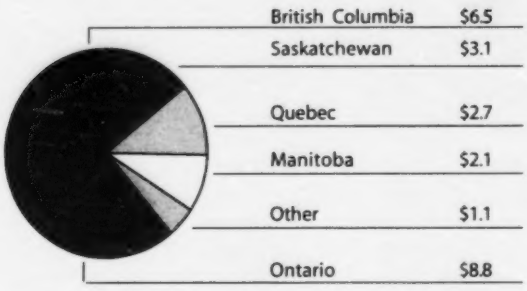
In order to track intermediate outcomes relating to major projects, the department prepares status reports or contributes to reports prepared by others. Since these projects are multi-year, preparing regular progress reports or measuring intermediate outcomes allows governments and taxpayers to keep track of the progress of particularly complex, long-term issues. Examples of this approach are:

- regular status reports that measure the implementation of the Agreement on Internal Trade and the progress of complaints and disputes under that agreement;
- regular Progress Reports to Premiers by the Provincial/Territorial Council on Social Policy Renewal; and,
- communiqués from annual meetings of Premiers.

These reports are posted on the International and Intergovernmental Relations departmental website: **http://www.iir.gov.ab.ca**. In addition, the website includes updates on preparations for and progress in domestic and international trade negotiations (e.g., WTO and the AIT). The website also provides an opportunity for reaction and comments from the business community and the public.

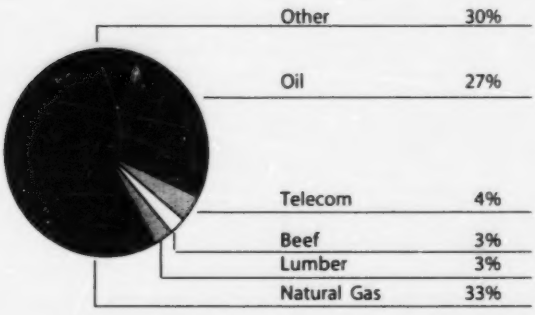
ALBERTA'S INTERPROVINCIAL EXPORTS OF GOODS AND SERVICES

(in billions of dollars)



Source: Statistics, Canada, 2000

ALBERTA'S TOP EXPORTS TO THE UNITED STATES



Source: Statistics, Canada, 2000

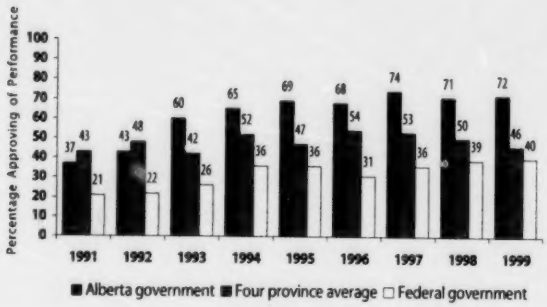
4. SECONDARY INDICATORS

The department reports on a number of secondary indicators that track macroeconomic trends. While these are not direct measures of the department's performance, they do provide an indication of the environment in which the department is operating.

Trade statistics, for example, track how the province is faring in export performance. However, it must be emphasized that export performance cannot be attributed to any one factor. Rather it is the result of a number of interconnected factors. In some cases, exports increase because of fluctuations in the world price for commodities such as oil, gas or wheat, or in the value of the Canadian dollar.

In other cases, Alberta's trade performance reflects the aggressiveness of the private sector in opening up new markets. Some of the increase may be attributed to the efforts of the Government of Alberta to remove barriers to trade in key markets, or to the government's efforts to open doors in key foreign markets for Alberta businesses through targeted trade missions or by receiving foreign visitors.

APPROVAL RATINGS:
FEDERAL-PROVINCIAL RELATIONS



Source: Environics 1991-1999

5. PUBLIC POLLING DATA

An important measure of how the Alberta government is performing in the areas of both international and intergovernmental relations is public polling data that measures the performance of the provincial government based on the satisfaction level of Albertans. The polling data does not specifically rate the performance of the department, but tracks the performance of the whole government. However, the department does play an important role in supporting the Premier and his cabinet colleagues in achieving intergovernmental goals. The polling data is based on a regular national opinion poll conducted by Environics Canada, surveying the views of Canadians regarding the performance of their provincial and federal governments. This is reported in the *Focus Canada Report.*

Alberta's target is to maintain the government's public approval rating in federal-provincial relations on a par with the average of four other provinces (British Columbia, Saskatchewan, Manitoba, and Ontario). These are the provinces closest to Alberta in terms of geography, history, economic base, social patterns and approaches to federalism. Alberta's intergovernmental approval rating in 1999 was 72 per cent (see graph at top left). The four province average was 46 per cent and the federal government rating was 40 per cent.

GOVERNMENT-WIDE GOALS

Much of the Ministry's work relates to Goal 19 of the Government Business Plan for 2001-04:

Goal 19: Alberta will work with other governments and maintain its strong position in Canada.

As well, the Ministry strategies contribute to the realization of the following government-wide goals:

Goal 2: Our children will be well cared for, safe, successful at learning and healthy (IIR outcome 2.2)

Goal 7: Alberta will have a prosperous economy (IIR outcomes 1.1, 1.2, and 2.4)

Goal 8: Our workforce will be skilled and productive (IIR outcomes 1.2 and 2.4)

Goal 10: Alberta's value-added industries will lead economic growth (IIR outcomes 1.1, 1.2 and 2.4)

Goal 14: Alberta businesses will increase exports (IIR outcomes 1.1, 1.2 and 2.4)

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Intergovernmental Relations	5,269	6,082	6,082	6,104	6,202	6,307
MINISTRY EXPENSE	5,269	6,082	6,082	6,104	6,202	6,307

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Other Revenue	42	-	10	-	-	-
MINISTRY REVENUE	42	-	10	-	-	-
EXPENSE						
Program						
International and Intergovernmental Relations	5,224	6,082	6,082	6,104	6,202	6,307
Valuation Adjustments and Other Provisions	45	-	-	-	-	-
MINISTRY EXPENSE	5,269	6,082	6,082	6,104	6,202	6,307
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(5,227)	(6,082)	(6,072)	(6,104)	(6,202)	(6,307)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	42	-	10	-	-	-
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	42	-	10	-	-	-
Ministry Program Expense	5,269	6,082	6,082	6,104	6,202	6,307
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**5,269**	**6,082**	**6,082**	**6,104**	**6,202**	**6,307**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(5,227)	(6,082)	(6,072)	(6,104)	(6,202)	(6,307)

APPENDIX: FRAMEWORK FOR INTERNATIONAL STRATEGIES

International and Intergovernmental Relations contributes to the successful achievement of all the cross ministry initiatives that have been identified as priorities for the Government of Alberta. The department also co-champions one of the routine/maintenance initiatives relating to the development of the International Strategy.

In February 2000, the Government of Alberta released Alberta's Framework for International Strategies. The Framework outlines Alberta's three international core businesses:

- Building International Relations
- Removing Trade and Investment Barriers
- Marketing Trade, Tourism and Investment

As co-champion, International and Intergovernmental Relations will work closely with other departments to ensure that Alberta's international policies are coordinated, and that international programs and strategies are consistent with the recently adopted Framework for Alberta's International Strategies.